SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

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MEETING OF THE

ENERGY AND ENVIRONMENT COMMITTEE

Thursday, January 2, 2014
10:00 a.m. – 12:00 p.m.

SCAG Main Office
818 W. 7th Street, 12th Floor
Policy Committee Room A
Los Angeles, CA 90017
(213) 236-1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Lillian Harris-Neal at (213) 236-1858 or via email harris-neal@scag.ca.gov

Agendas & Minutes for the Energy and Environment Committee are also available at: http://www.scag.ca.gov/committees/Pages/default.aspx

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SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

Energy and Environment Committee

Members – January 2014

		Members	Representing	
Chair*	**1.**	**Hon. James A. Johnson**	***Long Beach***	**District 30**
Vice-Chair*	**2.**	**Hon. Lisa Bartlett**	***Dana Point***	TCA
	3.	Hon. Denis Bertone	*San Dimas*	SGVCOG
	4.	Hon. Brian Brennan	*Ventura*	VCOG
*	5.	Hon. Margaret Clark	*Rosemead*	District 32
	6.	Hon. Jordan Ehrenkranz	*Canyon Lake*	WRCOG
*	7.	Hon. Mitchell Englander	*Los Angeles*	District 59
	8.	Hon. Larry Forester	*Signal Hill*	Gateway Cities
	9.	Hon. Laura Friedman	*Glendale*	Arroyo Verdugo Cities
	10.	Hon. Sandra Genis	*Costa Mesa*	OCCOG
*	11.	Hon. Ed Graham	*Chino Hills*	District 10
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	13.	Hon. Linda Krupa	*Hemet*	WRCOG
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	16.	Hon. Geneva Mojado		Soboba Band of Luiseño Indians
*	17.	Hon. Mike Munzing	*Aliso Viejo*	District 12
	18.	Hon. Sam Pedroza	*Claremont*	SGVCOG
	19.	Hon. David Pollock	*Moorpark*	VCOG
	20.	Hon. Jeffrey Prang	*West Hollywood*	WSCCOG
*	21.	Hon. Carmen Ramirez	*Oxnard*	District 45
*	22.	Hon. Lupe Ramos Watson	*Indio*	District 66
*	23.	Hon. Deborah Robertson	*Rialto*	District 8
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*	25.	Hon. Jack Terrazas		Imperial County
*	26.	Hon. Cheryl Viegas-Walker	*El Centro*	District 1
	27.	Hon. Diane Williams	*Rancho Cucamonga*	SANBAG
	28.	Hon. Edward Wilson	*Signal Hill*	Gateway Cities

* Regional Council Member

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ENERGY & ENVIRONMENT COMMITTEE
AGENDA
JANUARY 2, 2014

The Energy & Environment Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE
(Hon. James A. Johnson, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker's card to the Assistant prior to speaking. Comments will be limited to three (3) minutes. The Chair may limit the total time for all comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

	ACTION ITEM		**Time**	**Page No.**
1.	Memorandum of Understanding (MOU)/Joint Work Program with San Bernardino Associated Governments (SANBAG) ***(Huasha Liu, Director, Land Use and Environmental Planning)*** **Recommended Action:** Recommend that the Regional Council adopt a Memorandum of Understanding (MOU)/Joint Work Program with SANBAG for the implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS).	**Attachment**	**10 mins.**	**1**

INFORMATION ITEMS

2.	2016 South Coast Air Quality Management Plan (AQMP) Update ***(Rongsheng Luo, SCAG Staff)***	**Attachment**	**10 mins.**	**10**
3.	Advanced Clean Air Technologies Update (***Henry Hogo, Assistant Deputy Executive Officer, Mobile Source Division, South Coast Air Quality Management District - SCAQMD)***	**Attachment**	**30 mins.**	**17**
4.	Port of Long Beach Advanced Clean Technologies Implementation Update ***(Richard Cameron, Acting Managing Director of Environmental Affairs and Planning, Port of Long Beach-POLB)***	**Attachment**	**30 mins.**	**18**

ENERGY & ENVIRONMENT COMMITTEE
AGENDA
JANUARY 2, 2014

INFORMATION ITEMS - *continued*		**Time**	**Page No.**
5. Update on 2012 Regional Transportation Plan (RTP) Goods Movement Environmental Strategy and Coordination with National and State Freight Planning Efforts ***(Annie Nam, SCAG Staff)***	**Attachment**	**15 mins.**	**19**

CONSENT CALENDAR

Approval Item

6. Minutes of the November 7, 2013 Meeting	**Attachment**		**21**

Receive and File

7. 2014 Regional Council and Policy Committees Meeting Schedule	**Attachment**		**25**
8. EPA Strategic Sustainability Performance Plan Update	**Attachment**		**26**
9. Fuel Economy Trends of New Vehicles Sold in the United States	**Attachment**		**28**
10. U.S. Environmental Protection Agency (EPA) Public Listening Sessions on Reducing Carbon Pollution from Existing Power Plants	**Attachment**		**40**
11. Comments on FHWA's Interim Guidance on the Congestion Mitigation and Air Quality Improvement Program	**Attachment**		**42**

CHAIR'S REPORT
(Hon. James A. Johnson, Chair)

STAFF REPORT
(Jonathan Nadler, SCAG Staff)

FUTURE AGENDA ITEMS

ANNOUNCEMENTS

ADJOURNMENT

The next meeting of the EEC is scheduled for Thursday, February 6, 2014, at the SCAG Los Angeles Office.

REPORT

AGENDA ITEM NO. 1

DATE: January 2, 2014

TO: Community, Economic, and Human Development Committee (CEHD)
Energy and Environment Committee (EEC)
Transportation Committee (TC)

FROM: Huasha Liu; Director, Land Use and Environmental Planning; (213) 236-1838; liu@scag.ca.gov

SUBJECT: Memorandum of Understanding (MOU)/Joint Work Program with San Bernardino Associated Governments (SANBAG)

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Recommend that the Regional Council adopt a Memorandum of Understanding (MOU)/Joint Work Program with SANBAG for the implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS).

EXECUTIVE SUMMARY:
As a follow-up to the adoption of the 2012 RTP/SCS, SCAG has endeavored to develop agreements and joint work programs with each of the six County Transportation Commissions (CTCs) in the region. These agreements identify initiatives of mutual interest that further the policies of the plan. At this time, the SANBAG Board has approved an MOU/Joint Work Program in coordination with SCAG staff. SCAG staff is seeking approval from the Policy Committees of the attached MOU for the Regional Council's consideration on February 6, 2014.

STRATEGIC PLAN:
Goal 1. Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies: a. Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans

BACKGROUND:
The 2012 RTP/SCS was adopted on April 5, 2012. Since that time, SCAG has worked collaboratively with partner agencies, including the six (6) County Transportation Commissions in the region to advance and implement key policies and strategies in the Plan. This cooperative effort includes the development of agreements and joint work programs committing to initiatives of mutual interest, along with other activities such as the convening of an ongoing CEOs Sustainability Working Group.

SCAG's approach for the upcoming 2016 RTP/SCS will be to record progress made on implementation action, and identify next steps. As such, these focused follow-up efforts, along with other activities, are of critical importance for future planning.

SANBAG has developed an MOU/Joint Work Program, working in consultation with SCAG staff. The MOU was approved by SANBAG's Governing Board on November 6, 2013, and includes 16 identified activities, as listed in the attachment. These activities are sorted into three categories: 1) planning work; 2) coordination; and 3) advocacy.

Highlights of the program include:

- Ongoing development and implementation of the Countywide Vision for sustainability
- The development of a Countywide Safe Routes to School Inventory
- Extensive study on development and access in key transit corridors
- Collaborative work in conservation and open-space identification and planning

The SANBAG MOU is the second such agreement between SCAG and a CTC subsequent to the adoption of the 2012 RTP/SCS. On October 4, 2012, the Regional Council approved a resolution and joint work program with Los Angeles County Metro. The Metro joint work program includes 11 activities, many of which have been completed. At this time, SCAG is continuing to work with staff from the remaining four (4) CTCs on developing draft programs for consideration.

To note, the agreement between SCAG and SANBAG commits the two agencies to cooperative action. Each activity notes which agency is to lead. The agreement does not transfer funding, and each activity listed is subject to funding availability - as has been the case with Metro, SCAG and SANBAG will share costs for the completion of the program as a whole. At this time, SCAG and SANBAG have worked together to identify funding for item #7 (Metrolink Corridor Study) and item #4 (conservation planning).

FISCAL IMPACT:
No direct fiscal impact associated with the recommended action. The item commits SCAG to joint work efforts with SANBAG subject to future separate and on-going budget development actions and/or agreements.

ATTACHMENT:
Proposed MOU and Joint Work Program, as approved by SANBAG

MEMORANDUM OF UNDERSTANDING NO. M-008-14-00

BETWEEN THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) AND THE SAN BERNARDINO ASSOCIATED GOVERNMENTS (SANBAG)

CONCERNING COLLABORATION BETWEEN SANBAG AND SCAG TO IMPLEMENT THE 2012-2035 REGIONAL TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGY (RTP/SCS)

Whereas, the development of a regional Sustainable Communities Strategy is required by state law under California's Sustainable Communities Strategy and Climate Protection Act, commonly referred to as Senate Bill 375, and is a critical element of achieving statewide greenhouse gas (GHG) reduction goals established in the Global Warming Solutions Act of 2006 (Nunez, Chapter 488, Statutes of 2006), commonly referred to as AB 32;

Whereas, a regional Sustainable Communities Strategy is a component of the Regional Transportation Plan that specifies how the GHG reduction targets established for a region by the California Air Resources Board (CARB) will be achieved;

Whereas, on April 4, 2012, the Southern California Association of Governments Regional Council unanimously approved the region's first RTP/SCS;

Whereas, the adopted RTP/SCS includes land-use and transportation strategies that will support the region in meeting the established GHG reduction targets of 8% per capita by 2020 and 13% per capita by 2035;

Whereas the Air Resources Board on June 4, 2012, accepted the SCAG Sustainable Communities Strategy as having met the GHG target;

Whereas, by virtue of having met the state established GHG target, local governments in the SCAG region may choose to access a streamlined process under the California Environmental Quality Act (CEQA) for certain types of qualifying development projects;

Whereas, the RTP/SCS provides additional co-benefits including reducing land consumption, infrastructure costs, household costs, health incidences as well as improving mobility and creating jobs;

Whereas, SCAG developed the RTP/SCS in collaboration with SANBAG, other County Transportation Commissions, and local governments from the six-county Southern California region through a bottom-up, collaborative process that engaged a wide range of stakeholder groups, elected officials, special interest groups, and the general public through a series of workshops and public meetings;

Whereas, the RTP/SCS addresses many challenges including projected growth, changing demographics, climate change adaptation, housing needs, and transportation demands;

Whereas, the RTP/SCS includes a land-use strategy and growth forecast that focuses growth in High-Quality Transit Areas and along main streets, downtowns and other appropriate infill locations; recognizes a shift in development from single-family toward multi-family residential development to reflect recent market trends; and promotes the implementation of Compass Blueprint Demonstration projects and other supportive land use implementation;

Whereas, the RTP/SCS includes transportation policies and investments that: reflect the investments being made by the County Transportation Commissions through 2035; triple the amount of funding available in the previous RTP to support Active Transportation; emphasize and provide additional resources for transportation demand management strategies and transportation systems management; maintain a focus on efficient goods movement; and establish a financial plan that addresses deferred maintenance and includes new revenue sources and innovative financing techniques to transition our fuel tax-based system to a more direct, user fee approach;

Whereas, while SCAG develops the RTP/SCS, the land-use and transportation changes within it are largely driven by the actions of local governments and County Transportation Commissions, like SANBAG, that program the majority of transportation funds flowing into the region;

Whereas, it is therefore critical that SANBAG be engaged in the implementation of the RTP/SCS in order for the RTP/SCS's benefits to be realized, as well as to ensure the region continues to make progress that can be reflected in the 2016 RTP/SCS;

Whereas, CARB through the AB 32 Cap-and-Trade Program may be providing funding for programs and projects throughout the state that reduce GHG emissions and help implement local climate action plans;

Whereas, SANBAG submitted a letter to SCAG dated February 14, 2012, supporting approval of the RTP/SCS by the April 2012 deadline and has committed staff support in the implementation of the RTP/SCS;

Whereas, SANBAG has demonstrated leadership and strong support for advancing sustainable transportation options in the region through a broad range of actions including: adopting the San Bernardino Countywide Vision (Countywide Vision), which includes multiple elements related to sustainability; investing in transit; preparation of the countywide Non-Motorized Transportation Plan; coordinating with local jurisdictions on land use strategies for transit corridors; participating in 14 local Compass Blueprint Projects since 2006; collaborating with the San Bernardino County Active Transportation Network; leading the effort to develop the San Bernardino County Regional Greenhouse Gas Inventory and Reduction Plan; programming federal funding for clean fuel buses; programming federal and State funding for bicycle infrastructure; advancing bicycle policies; supporting applications for sustainability grant programs; implementing the San Bernardino County HERO (Home Energy and Renovation Opportunity) program and joint Solar Power Purchase Agreement program; developing countywide public health framework; applying state and federal grants in partnership with a private fleet to deploy a clean fuel truck fleet; and adopting policies that reduce the agency's environmental footprint as well as promote

cleaner air, GHG reduction, healthier communities, and a stronger economy through transportation planning and programming, among others;

Whereas, to continue to demonstrate countywide leadership on sustainability issues, SANBAG will continue to implement the Countywide Vision in partnership with local jurisdictions and stakeholder groups. Five Vision Elements are pertinent to sustainability in varying degrees: the Environment, Housing, Infrastructure, Quality of Life and Wellness Elements. Although the Vision will not contain a stand-alone sustainability policy, sustainability principles will be integrated within the elements listed above. In addition, individual jurisdictions incorporate sustainability planning policies into their General Plans. The further development and sharing of this information will continue to occur through regular meetings of the SANBAG Planning/Community Development Directors and SANBAG policy committees;

Whereas, implementation of the Countywide Vision, in conjunction with the implementation of the RTP/SCS, will advance SANBAG's mission of creating a more efficient and effective transportation system in concert with a broad set of sustainability priorities that are increasingly important to SANBAG's member agencies and constituents; and

Whereas, SANBAG and SCAG currently collaborate on a broad range of initiatives to advance common transportation objectives, and it is in the interest of both agencies to continue to leverage resources toward achieving the common goals expressed in the RTP/SCS and the Countywide Vision and toward creating a more sustainable transportation system.

Now, therefore, be it resolved by the Board of Directors of the San Bernardino Associated Governments that the Executive Director is authorized to initiate and/or continue the following RTP/SCS implementation activities, to be referred to collectively as the **RTP/SCS Joint-Work Program:**

PLANNING WORK/PRODUCTS

(1) Continue SANBAG's leadership role in the development and implementation of the San Bernardino Countywide Vision. The SANBAG role is to facilitate several of the Vision Elements and to serve as a convener of leadership and ideas for moving the county forward with Countywide Vision implementation. The Vision effort includes groups working in the following subject areas: education, environment, housing, jobs/economy, public safety, water, and wellness. SANBAG will be involved in all elements to link these subject specific groups to the elected leadership and policy makers from every city. SANBAG will also be the lead on the environment and jobs/economy groups.

(2) Initiate implementation of the recommendations in the Final Report entitled "Improvement to Transit Access for Cyclists and Pedestrians" to "extend" the station areas and expand the reach of transit in transit catchment areas and at transit stops in the Metrolink and E Street sbX corridors. The report documents processes, guidelines, and specific improvements that serve as a resource for local governments seeking to partner with the SANBAG, Omnitrans, and SCAG on bicycle/pedestrian improvements in

high-capacity transit station catchment areas. Additional funding will be sought to advance implementation of these improvements. Opportunities to optimize access through programmatic, technology and/or marketing solutions in the transit catchment areas will also be explored.

(3) Develop a Countywide Safe Routes to School Inventory to help local communities identify SRTS needs and to prioritize the most cost-effective and competitive projects. The Inventory will: document current SRTS efforts and needs; coordinate with agencies, organizations, and stakeholders for exchange of information and ideas; and identify options for pursuing additional funding sources to increase SRTS investment in San Bernardino County.

(4) Support SCAG in developing a Conservation Planning Policy, as recommended in the 2012-2035 RTP/SCS. This policy is intended to build upon already-established programs that assist with more efficient transportation project delivery, including but not limited to, OCTA's Measure M Environmental Mitigation Program and Riverside County's Multiple Species Habitat Conservation Plans (MSHCP). The policy will explore opportunities to optimize the use of transportation mitigation funds to support natural land restoration, conservation, protection and acquisition, and will offer GHG emissions reduction benefits. The deliverables will likely include identification of priority conservation areas and the development of regional mitigation policies or approaches for the 2016 RTP/SCS. SANBAG will coordinate with SCAG on the development of policies appropriate for San Bernardino County in conjunction with proposals for more comprehensive habitat preservation/conservation approaches undertaken within the Environment Element of the Countywide Vision.

(5) Explore opportunities, together with SCAG, to expedite Active Transportation funding planned in the RTP/SCS for local infrastructure to support the operation and expansion of the rail and Express Bus/Bus Rapid Transit systems and for improved bicycle/pedestrian connectivity county-wide. SANBAG will complete a bicycle system “Gap-closure Analysis” in conjunction with local jurisdictions, and will amend the San Bernardino County Non-Motorized Transportation Plan (NMTP) accordingly. SANBAG will develop a funding strategy for specific Active Transportation priority projects in the NMTP and identify specific funding opportunities for each project, such as grant applications, calls for projects, and allocation of Federal, State, and local formula funds, as appropriate. This will include pursuing funding for improvements identified in the study “Improvement to Transit Access for Cyclists and Pedestrians”. A mobile bicycle map application will also be developed under the SCAG Sustainability Grant program, as funding becomes available.

(6) Support SCAG in conducting a High Quality Transit Area Study to review possible incentive programs that could be offered by SANBAG and SCAG to help realize the RTP/SCS vision for reducing GHG emissions and capturing growth in High Quality Transit Areas (as defined in the RTP/SCS). The study should document existing rules and practices, consider best practices, and provide recommendations for program modifications. The study will be initiated when additional SCAG funding or staff resources become available.

(7) Conduct the study "**Creating a Vision and Implementation Strategy for Sustainability in the San Bernardino Metrolink Corridor**" under the Caltrans Statewide or Urban Transportation Planning Grant program. The purpose of the effort is to provide focus on the corridor in San Bernardino County with the greatest near-term opportunities for transit-oriented development. The study will identify ways to overcome barriers to further TOD implementation in Metrolink station areas and will identify investment needs for additional transit infrastructure to stimulate the additional TOD planned for in the RTP/SCS.

(8) Continue collaborative efforts to improve **Performance Measurement and Monitoring** of the benefits and co-benefits (health, greenhouse gas reduction, etc.) of transportation projects and plans through efforts such as: monitoring of travel time on major highways through upgrades to the Congestion Management Program (CMP); monitoring of transit performance; collection of bicycle use data through the bicycle data clearinghouse; monitoring of milestones for the Countywide Vision; continuation of the San Bernardino County Community Indicators Reports, and preparation of the San Bernardino County Community Vital Signs Report.

(9) Support the SCAG RTP/SCS through the coordinated development of complete streets policies and implementable strategies by identifying the following: achievable opportunities for deployment of complete streets strategies in a way that recognizes the diversity of urban and rural contexts in San Bernardino County; principles for integration of "complete streets thinking" into arterial network and land use planning within the County; specific locations that could serve as opportunities for low cost "early action" complete streets projects; possible incentives for the planning and development of complete streets projects in the County.

ADVOCACY

(10) Seek funding and support legislative initiatives to assist local agencies with planning, programming, and/or capital funds to implement Compass Blueprint projects or other innovative, multimodal approaches that exemplify the direction of the Countywide Vision and transit-oriented development (TOD).

(11) Pursue grant funding to incentivize additional freight vehicle conversion to clean energy sources and to support the installation of associated fueling stations, similar to the Ryder fleet conversion previously sponsored by SANBAG. SANBAG will track advancements in technology in the clean fuels arena and will work with public and private sector partners to marry funding opportunities with cost-effective fleet conversion opportunities.

(12) Work with state and federal representatives to **Develop Legislation** in support of the above activities and the broader goals of the RTP/SCS. Progress on these items shall be reported to the SANBAG General Policy Committee, or other appropriate ad hoc committee, and SCAG's Energy and Environment Committee on a quarterly basis starting January 2014. An interim report on the RTP/SCS Joint-Work Program shall be prepared by January 2015 and include recommendations to the SANBAG Board and SCAG Regional Council for inclusion in the 2016 RTP/SCS.

COORDINATION

(13) Appoint a representative to the **Regional Sustainability Working Group,** an effort initiated by the CEOs of County Transportation Commissions and led by SCAG, to actively work on the implementation of the RTP/SCS, document and monitor progress, and develop recommendations for opportunities in the upcoming 2016-2040 RTP/SCS.

(14) Continue SANBAG's involvement in the San Bernardino Active Transportation Network (Network). The Network is a convening of county agencies, community organizations, residents and cities interested in improving the experience of and increasing facilities for walking and bicycling in San Bernardino County. In addition to SANBAG, some of the stakeholders include Omnitrans, San Bernardino County Public Health Department, Safe Routes to School (SRTS) National Partnership, American Lung Association and Inland Empire Bicycle Alliance. The Network aims to: expand on the region's multi-modal planning efforts, especially for bicyclists and pedestrians; improve safety and accessibility for bicyclists and pedestrians; assist in the county implementation of the RTP/SCS; and further improve the quality of life in the county, including economic development, air quality, public health and connectivity. It is also intended to create a space for cities, agencies, organizations and communities to collaborate, educate and impact local and regional policies as partners.

(15) Continue to support SCAG and collaborate with regional stakeholders on the Regional Plug-In Electric Vehicle (PEV) Readiness Plan, to identify the best locations for charging infrastructure based on market demand and travel patterns. The Regional PEV Readiness Plan will become part of a larger effort to support regional sustainability while promoting economic development within the green technology sector. SCAG will continue to work with a diverse group of stakeholders to serve as a clearinghouse for zero and near-zero emission vehicle resources and implementation strategies. The key deliverables include a Regional PEV Readiness Plan and two model Subregional PEV Readiness Plans (South Bay and Western Riverside COGs). This effort is funded with grants obtained from the California Energy Commission and the U.S. Department of Energy.

(16) Support local jurisdictions in developing Climate Action Plans (CAPs) that would serve as the local implementation and monitoring documents for the reduction of greenhouse gases in response to Assembly Bill 32, the Global Warming Solutions Act of 2006. SANBAG will collaborate with local jurisdictions to develop templates jurisdictions may use as starting points for incorporation of specific schedule, funding, and implementation action items into their CAPs. SANBAG is nearing completion on a 21-city partnership effort to develop a Regional Greenhouse Gas Emissions Inventory and Reduction Plan and its associated Environmental Impact Report. The Plan and EIR will be used as the foundation for the local jurisdictions' CAPs.

Be it further resolved by the Regional Council of the Southern California Association of Governments that its Executive Director or his designee is authorized to lead the work effort of Items No. 4 (Conservation Planning Policy), No. 6 (High Quality Transit Area Study), No. 9 (Complete Streets policies and implementation strategies) and No. 15 (PEV Readiness Plan) of the above-referenced RTP/SCS Joint Work Program, and to work cooperatively with SANBAG on all other remaining Items as appropriate.

This Memorandum of Understanding (MOU) No. 13-___ is executed by duly authorized representatives of SANBAG and SCAG to memorialize the partnership of the two agencies in the RTP/SCS Joint Work Program, and shall be effective as of the last date signed below by the parties. This MOU may be amended only by the execution of the parties of a written amendment.

San Bernardino Associated Governments (SANBAG)

_____ Date: _____
Bill Jahn
President

Southern California Association of Governments (SCAG)

_____ Date: _____
Greg Pettis
President
Councilmember, Cathedral City

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REPORT

AGENDA ITEM NO. 2

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Rongsheng Luo, Program Manager, 213-236-1994, luo@scag.ca.gov

SUBJECT: 2016 South Coast Air Quality Management Plan (AQMP) Update

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED EEC ACTION:
Information Only – No Action Required

EXECUTIVE SUMMARY:
Pursuant to federal and state laws, the 2016 South Coast Air Quality Management Plan (AQMP) is under development to attain federal and state air quality standards in the South Coast Air Basin (SCAB). Staff will present a brief overview of the requirements, challenges, and status of the 2016 South Coast AQMP.

BACKGROUND:
The U.S. Environmental Protection Agency (EPA) promulgated the new 8-hour ozone national ambient air quality standard (NAAQS) in 2008. The EPA action tightened the primary standard for the 8-hour ozone to 0.075 parts per million (ppm). Subsequently, the South Coast Air Basin (SCAB) has been designated by EPA as an Extreme 8-hour ozone nonattainment area, effective July 20, 2012.

Pursuant to the Federal Clean Air Act (CAA), the State Implementation Plan (SIP) demonstrating attainment with the 2008 8-hour ozone NAAQS in the SCAB is required to be prepared and submitted to EPA. In addition, the 2016 AQMP will also include an update to the previously submitted 1997 8-hour ozone and 1-hour ozone SIPs as well as an outlook for the new annual PM2.5 standard. The 2016 AQMP is being prepared by the South Coast Air Quality Management District (SCAQMD), the lead agency; the California Air Resources Board (ARB); and SCAG. SCAG is required to prepare its portion of the 2016 AQMP, the Regional Transportation Strategy and Control Measures, based on the upcoming 2016 RTP/SCS.

Unlike the 2012 AQMP which mainly addressed meeting the 2006 PM2.5 standards by 2014, the 2016 AQMP will have a much greater challenge to demonstrate attainment of the new ozone standard. According to the last 2012 AQMP, South Coast must reduce regional NOx emission by about 65% by 2023 and 75% by 2032 to attain the 1997 and 2008 8-hour ozone standards respectively. Further, the CAA Section 182(e)(5) long-term measures account for a substantial portion of NOx emission reductions needed to attain the federal ozone standards.

The 2016 AQMP will include an important component relative to future regional transportation planning and federal transportation conformity requirements, the motor vehicle ozone emissions budgets, which set an upper limit which on-road transportation activities are permitted to emit. The ozone emission budgets established as part of the 2016 AQMP process and adopted in the final SIP will become the functioning

ozone emission budgets for transportation conformity for future RTP/Federal Improvement Program (FTIP) and RTP/FTIP amendments post the effectiveness date of the new emission budgets.

The following are highlights of the development status of the 2016 AQMP up to date:

- SCAQMD has held two AQMP Advisory Group meetings to discuss the 2016 AQMP
- EPA has released a proposed 8-hour ozone implementation rule
- SCAQMD has begun preliminary modeling for base year 2012 and attainment years 2023 and 2032
- ARB is developing the next version of the EMFAC model (EFMAC2013) which is currently scheduled to be released in 2014
- SCAQMD will develop public policy papers in the next two years to discuss key issues such as goods movement, transportation, energy, and technology
- SCAG will develop the final socioeconomic growth forecast and travel activity projections for the 2016 AQMP based on the 2016 RTP/SCS. SCAG will also prepare its portion of the 2016 AQMP, the Regional Transportation Strategy and Control Measures, based on the 2016 RTP/SCS
- Subject to the final 8-hour ozone implementation rule, SCAQMD plans to submit ozone SIP emission inventory and reasonably available control technology (RACT) analysis by July 2014, reasonable further progress demonstration by July 2015, and attainment demonstration including SCAG's Regional Transportation Strategy and Control Measures by July 2016

<u>SIPs for Other 2008 8-hour Ozone Nonattainment Areas in SCAG Region</u>

It is important to note that the following six (6) areas have also been designated as nonattainment areas for the 2008 8-hour ozone standard with different classifications and attainment years:

- Coachella Valley – Classification Severe; Attainment year 2027
  [Coachella Valley is in the SCAQMD's jurisdiction and the ozone attainment demonstration for this non-attainment area will be included as part of the 2016 AQMP update.]
- Imperial County – Classification Marginal; Attainment year 2015
  [Pursuant to CAA Section 182(a), a Marginal nonattainment areas is not required to submit an attainment demonstration SIP because such area is anticipated to come to attainment by the attainment year.]
- Morongo Areas of Indian Country (Morongo Band of Mission Indians) – Classification Serious; Attainment year 2021
- Pechanga Areas of Indian Country (Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation) – Classification Moderate; Attainment year 2018

- Ventura County – Classification Serious; Attainment year 2021

- West Mojave Desert Air Basin – Classification Severe; Attainment year 2027

These ozone nonattainment areas are subject to different SIP requirements due to their different classifications. Staff will provide status update on these ozone SIPs at a later time.

FISCAL IMPACT:
Work associated with this item is included in the current FY 2013414 Overall Work Program (14-025.SCG0164.01: Air Quality Planning and Conformity).

ATTACHMENT:
PowerPoint Presentation: "2016 South Coast Air Quality Management Plan (AQMP) Update"

2016 South Coast Air Quality Management Plan (AQMP) Update

Presented to the Energy and Environment Committee

January 2, 2014

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

Clean Air Act Requirements

- U.S. EPA sets National Ambient Air Quality Standards (NAAQS)
- Areas designated attainment, non-attainment, or maintenance
- If non-attainment, state submits State Implementation Plan (SIP) to demonstrate how and when NAAQS will be achieved, maintained and enforced

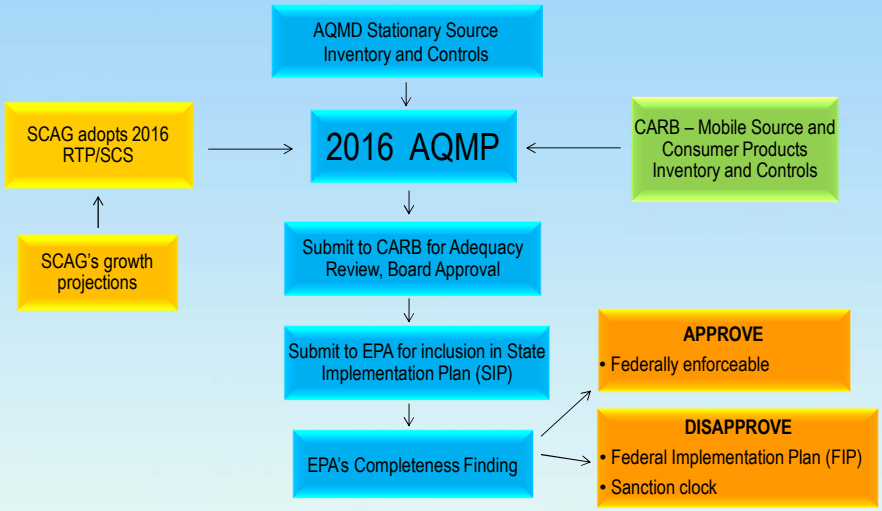
1

2016 AQMP Scope

- New 8-hour ozone SIP for 2008 8-hour ozone national standard
  - New motor vehicle ozone emissions budgets for transportation conformity
- Update to previous 8-hour ozone SIP for 1997 ozone standard
- Update to 1-hour ozone SIP
- Outlook for new annual PM2.5 standard

2

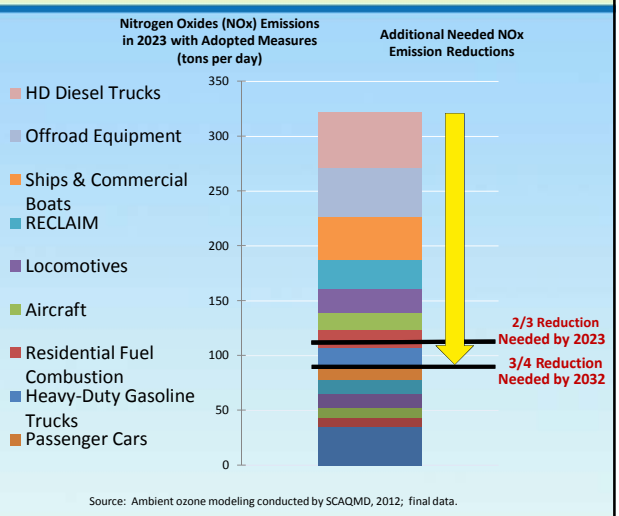
2016 AQMP Development



3

2016 AQMP Challenges

- Two-thirds to three-quarters reduction in NOx needed to attain ozone standards
- CAA Section 182(e)(5) long-term measures account for a large portion of needed emission reductions



Source: Ambient ozone modeling conducted by SCAQMD, 2012; final data.

4

2016 AQMP Status

- SCAQMD held two AQMP Advisory Group meetings and began preliminary modeling
- U.S. EPA released proposed 8-hour ozone implementation rule
- ARB developing new on-road emission model (EFMAC2013)
- SCAG responsible for growth/travel forecast and regional transportation control measures (2016 RTP/SCS)

5

2016 AQMP Key Milestones

- Ozone SIP
  - 2012 Base Year Emission Inventory and RACT Analysis
    - ✓July 2014
  - 15% Emission Reductions RFP Plan
    - ✓July 2015
  - 3% per Year Emission Reductions RFP Plan; Attainment Plan and Demonstration
    - ✓July 2016
- Annual PM2.5 Plan Anticipated July 2016

6

Contact:
Rongsheng Luo
Program Manager
(213) 236-1994
luo@scag.ca.gov

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

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REPORT

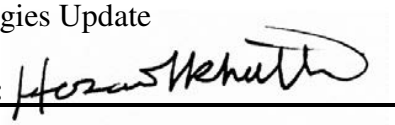
AGENDA ITEM NO. 3

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Jonathan Nadler, Manager, Compliance and Performance Monitoring; (213) 236-1884; nadler@scag.ca.gov

SUBJECT: Advanced Clean Air Technologies Update

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only – No Action Required

EXECUTIVE SUMMARY:
Henry Hogo, Assistant Deputy Executive Officer, Mobile Source Division, Science and Technology Advancement, South Coast Air Quality Management District (SCAQMD), will present an update on advanced clean air technologies.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

BACKGROUND:
SCAQMD's Mobile Source Division is responsible for the implementation of the agency's clean fleet vehicle rules and strategies to meet state and federal mobile source regulations. The Mobile Source Division promotes greater use of clean air technology, including advancing next-generation cleaner vehicles, fuel cells, and alternative fuels. In addition, the Mobile Source Division provides input on the development of the agency's air quality management plans, analysis of mobile source emissions impacts on air quality, and provides input on state and federal mobile source regulations.

FISCAL IMPACT:
None

ATTACHMENT:
None

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REPORT

AGENDA ITEM NO. 4

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Jonathan Nadler, Manager, Compliance and Performance Monitoring; (213) 236-1884; nadler@scag.ca.gov

SUBJECT: Port of Long Beach Advanced Clean Technologies Implementation Update

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
For Information Only – No Action Required

EXECUTIVE SUMMARY:
Richard Cameron, Acting Managing Director of Environmental Affairs and Planning, Port of Long Beach (POLB), will present an update on advanced clean technologies implemented by the POLB, including those that support significant regional emissions reductions.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

BACKGROUND:
The POLB Environmental Affairs and Planning Bureau includes the Environmental Planning, Master Planning and Transportation Planning divisions. The POLB Environmental Planning Division is most directly responsible for the Port's signature environmental programs, the Green Port Policy and the San Pedro Bay Ports Clean Air Action Plan. Under the Green Port Policy, the Division coordinates programs to improve air, water and soil quality, preserve wildlife habitat and integrate sustainability into Port practices. Richard Cameron, Acting Managing Director of Environmental Affairs and Planning, will present information on the planning and implementation of advanced clean technologies by the POLB.

FISCAL IMPACT:
None

ATTACHMENT:
None

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REPORT

AGENDA ITEM NO. 5

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Annie Nam, Manager of Transportation Finance and Goods Movement, 213-236-1827, nam@scag.ca.gov

SUBJECT: Update on 2012 Regional Transportation Plan (RTP) Goods Movement Environmental Strategy and Coordination with National and State Freight Planning Efforts

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only - No Action Required

EXECUTIVE SUMMARY:
The 2012-2035 Regional Transportation Plan (2012 RTP/SCS) included a proactive Environmental Action Plan for Goods Movement that calls for a two pronged environmental strategy to mitigate the environmental impacts of regional goods movement. This strategy includes recommendations to immediately ameliorate the impacts of regional goods movement in the near term, as well as a plan to advance development and deployment of zero and near-zero emissions technologies in the long term. This presentation will highlight elements of the Environmental Action Plan for Goods Movement and provide a brief update on SCAG's efforts to coordinate implementation of the Technology Advancement Program with regional partners. An update will also be provided on SCAG's participation in national and state freight planning efforts.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:
As part of the Regional Comprehensive Goods Movement Plan and Implementation Strategy, SCAG worked with representatives from state and regional air quality agencies, the railroads, the ports, and community advocates to create an environmental strategy for goods movement. This strategy informed the Environmental Action Plan included in the 2012 RTP/SCS. The Environmental Action Plan calls for a two pronged environmental strategy to mitigate the environmental impacts of regional goods movement. This strategy includes recommendations to immediately ameliorate the impacts of regional goods movement in the near term, as well as a plan to advance development and deployment of zero and near zero emissions technologies in the long term. Two-thirds of the $60 billion 2012-2035 planned freight-related investments are environmental mitigation measures. The 2012 plan includes a Technology Advancement Strategy which focuses on four phases of technology advancement including: Project Scoping and Evaluation of Existing Work; Evaluation, Development and Prototype Demonstrations; Initial Deployment and Operational Demonstration; and Full Scale Demonstrations and Commercial Deployment. The 2012 RTP/SCS also listed $35 million for a near term technology demonstration project.

Since the release of the 2012 RTP/SCS, SCAG has advanced the Environmental Strategy by facilitating regional efforts among partners, communicating the importance of advancing zero emissions technologies and staying abreast of advancements in goods movement technology to best inform our 2016 RTP/SCS. *The Moving Ahead for Progress in the 21st Century (MAP-21)* includes a number of provisions to improve the condition and performance of the national freight network. This includes the development of a National Freight Strategic Plan (NFSP) and the establishment of a National Freight Network (NFN). The U.S. DOT will develop the National Freight Strategic Plan by October 1, 2015 (draft, late 2014) and update it every five years. Concurrently, the California Department of Transportation (Caltrans) is developing the California Freight Mobility Plan (CFMP). In response to guidance provided in MAP-21, Caltrans, in collaboration with the California Transportation Agency (CalSTA) established the California Freight Advisory Committee (CFAC) to advise in this effort. SCAG is a member of the CFAC and SCAG staff has been coordinating with Caltrans and regional partner agencies to assist with the development of the statewide freight plan. In addition, SCAG is working closely with California's representatives to the National Freight Advisory Committee (NFAC). SCAG's participation in these important freight planning efforts provides an additional opportunity to communicate the need for zero and near-zero emission technology advancement.

FISCAL IMPACT:
Work associated with this task is included in the FY 13-14 OWP (WBS 130.0162A.18)

ATTACHMENT:
None

Energy and Environment Committee
of the
Southern California Association of Governments
November 7, 2013

Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ENERGY AND ENVIRONMENT COMMITTEE. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Energy and Environment Committee (EEC) held its meeting at the SCAG Los Angeles Office. The meeting was called to order by the Hon. James Johnson, Chair. There was a quorum.

Members Present

Hon. Denis Bertone, San Dimas	SGVCOG
Hon. Margaret Clark, Rosemead	District 32
Hon. Jordan Ehrenkranz, Canyon Lake	WRCOG
Hon. Larry Forester, Signal Hill	GCCOG
Hon. Laura Friedman, Glendale	AVCOG
Hon. Sandra Genis, Costa Mesa	OCCOG
Hon. Ed Graham, Chino Hills	District 10
Hon. James Johnson, Long Beach	District 30
Hon. Linda Krupa, Hemet	WRCOG
Hon. Judy Mitchell, Rolling Hills Estates	District 40
Hon. Mike Munzing, Aliso Viejo	District 12
Hon. David Pollock, Moorpark	VCOG
Hon. Carmen Ramirez, Oxnard	District 45
Hon. Deborah Robertson, Rialto	District 8
Hon. Stephen Sammarco, Redondo Beach	SBCCOG
Hon. Jack Terrazas	Imperial County
Hon. Cheryl Viegas-Walker, El Centro	District 1
Hon. Diane Williams, Rancho Cucamonga	SANBAG

Members Not Present

Hon. Lisa Bartlett, Dana Point	TCA
Hon. Brian Brennan, San Buenaventura	VCOG
Hon. Mitchell Englander, Los Angeles	District 59
Hon. Steve Hernandez, Coachella	CVAG
Hon. Thomas Martin, Maywood	GCCOG
Hon. Genevia Mojado	Soboba Band of Luiseno Indians
Hon. Sam Pedroza, Claremont	SGVCOG
Hon. Jeffery Prang, West Hollywood	WSCCOG
Hon. Lupe Ramos Watson, Indio	District 66
Hon. Edward Wilson, Signal Hill	Gateway Cities

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. James Johnson, Chair, called the meeting to order at 10:08 a.m.
Hon. Ed Graham led the EEC in the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Leeor Alpern, South Coast Air Quality Management District (AQMD), announced that the AQMD is hosting a New Roadway Emissions Technology Forum on November 21, 2013, 9:00 a.m. – 3:30 p.m., at AQMD Headquarters, 21865 Copley Drive, Diamond Bar. Additionally, the AQMD's annual 'Leaf Blower Exchange' program is currently open for professional gardeners. Information on the exchange is available at the AQMD website http://www.aqmd.gov.

REVIEW AND PRIORITIZE AGENDA ITEMS

INFORMATION ITEMS

1. Los Angeles Regional Adaptation Planning

   Mr. Jonathan Parfrey, Executive Director, Climate Resolve, gave a presentation on climate adaptation efforts in the Los Angeles region. Mr. Parfrey referenced the UCLA Department of Atmospheric and Oceanic Sciences study on mid-century warming in Southern California (July 2012). The study predicts that Southern California areas will experience 3-5.5°F in warming by mid-century. The occurrence of "extreme heat days" (when temperatures exceed 95°F) is expected to increase substantially. The high heat is expected to result in impacts on public health, water supply, air quality, agriculture, forest fires, and electrical loads.

   Mr. Parfrey discussed climate adaptation efforts at the federal, state and regional levels, as well as potential adaptation strategies for local governments. Examples cited include installation of cool roofs and pavement employing improved reflective materials, tree and shade barriers, and cooling centers to address potential health effects.

CONSENT CALENDAR

Approval Item

2. Minutes of the October 3, 2013 Meeting

   A MOTION was made (Forester) to approve the Consent Calendar. The MOTION was SECONDED (Mitchell) and unanimously APPROVED.

CHAIR'S REPORT - No report

STAFF REPORT - No report

FUTURE AGENDA ITEMS - None

ANNOUNCEMENTS

Hon. Margaret Clark, Rosemead, announced that the National League of Cities Energy and Natural Resources Committee, has a meeting scheduled on November 13, 2013 in Seattle, Washington. A two (2) page marked-up document that reflected the League's proposed policy changes was distributed to the EEC. Hon. Margaret Clark requested the committee members' input and asked that comments be e-mailed to her.

ADJOURNMENT

Hon. James Johnson adjourned the meeting at 10:31 a.m.

The next meeting of the Energy & Environment Committee will be held on Thursday, January 2, 2014 at the SCAG Los Angeles Office.

Action Minutes Approved by:

Jonathan Nadler, Manager
Compliance & Performance Monitoring

Energy and Environment Committee Attendance Report

2013

			X = County Represented						X = Attended Black Shading = Dark												
Member (including Ex-Officio) LastName, FirstName	Date Appointed if after 1/1/13	Representing	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Mtgs Attended
Bartlett, Lisa		OCCOG			X				X	X	X	X		X		X		X			7
Bertone, Denis		SGVCOG		X					X	X	X	X	G	X			X	X	X	E	8
Brennan, Brian		VCOG						X					E							C	
Clark, Margaret		Rosemead		X					X	X	X	X	N	X		X	X	X	X	O	9
Ehrenkranz, Jordan		WRCOG				X			X	X			E	X			X	X	X	N	6
Englander, Mitchell		Los Angeles		X							X		R							O	1
Forester, Larry		Gateway Cities		X					X	X	X	X	A	X		X	X	X	X	M	9
Friedman, Laura	October	Arroyo Verdugo		X									L					X	X	I	2
Genis, Sandra	June	OCCOG			X											X	X	X	X	C	4
Graham, Ed		Chino Hills					X		X	X	X	X	A	X		X			X		7
Hernandez, Steven	Feb.	CVAG					X			X	X	X	S							S	3
Johnson James		Long Beach		X						X	X	X	S			X		X	X	U	6
Krupa, Linda	Feb.	Hemet				X				X	X		E			X	X	X	X	M	6
Martin, Thomas		GCCOG		X					X	X	X	X	M	X		X				M	6
Mitchell, Judy		SBCCOG		X							X	X	B	X		X	X	X	X	I	7
Mojado, Geneva	October	Tribal COG											L							T	
Munzing, Mike	April	District 12			X						X	X	Y	X		X		X	X		6
Pedroza, Sam		SGVCOG		X					X	X	X	X		X			X				6
Pollock, David		VCOG						X	X	X	X	X		X		X		X	X		8
Prang, Jeffery		W. Hollywood		X																	
Ramirez, Carmen	April	Oxnard						X						X		X		X	X		4
Ramos Watson, Lupe		CVAG				X				X				X			X	X			4
Robertson, Deborah	August	District 8					X									X	X	X	X		4
Sammarco, Stephen	November	SBCCOG					X												X		1
Scott, Edward		SANBAG					X														
Terrazas, Jack		Imperial County	X						X	X	X	X		X		X	X	X	X		9
Viegas Walker, Cheryl		El Centro	X						X	X	X	X		X		X	X	X	X		9
Williams, Diane		SANBAG					X		X	X	X	X		X		X	X	X	X		9
Wilson, Edward		Signal Hill		X					X		X	X		X		X	X	X			7
	TOTALS		2	12	3	3	5	3													

AGENDA ITEM NO. 7

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

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2014 Meeting Schedule

Regional Council and Policy Committees

All Regular Meetings are scheduled on the 1st Thursday of each month except for September*	
Executive/Administration Committee (EAC)	9:00 AM – 10:00 AM
Community, Economic and Human Development Committee (CEHD)	10:00 AM – 12:00 PM
Energy and Environment Committee (EEC)	10:00 AM – 12:00 PM
Transportation Committee (TC)	10:00 AM – 12:00 PM
Regional Council (RC)	12:15 PM – 2:00 PM

January 2, 2014

February 6, 2014

March 6, 2014

April 3, 2014

May 1 – 2, 2014
(SCAG 2014 Regional Conference & General Assembly)

June 5, 2014

DARK IN JULY

August 7, 2014

September 11, 2014*
(Note: League of California Cities Annual Conference in Los Angeles, Sept. 3 – 5)

October 2, 2014

November 6, 2014

December 4, 2014

The Regional Council consists of 86 elected officials representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one Tribal Government representative and one representative for the Air Districts within Southern California.

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REPORT

AGENDA ITEM NO. 8

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Huasha Liu, Director, Land Use and Environmental Planning, 213-236-1838, liu@scag.ca.gov

SUBJECT: EPA Strategic Sustainability Performance Plan Update

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Receive and File.

EXECUTIVE SUMMARY:
The federal Environmental Protection Agency (EPA) recently released its 2013 Sustainability Plan. This plan will help guide EPA's actions to reduce carbon emissions and save energy within the Federal Administration.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies.

BACKGROUND:
On December 5, 2013, as part of President Obama's Climate Action Plan, EPA released its 2013 Strategic Sustainability Performance Plan that outlines actions planned over the next year to reduce energy use in agency operations. President Obama signed Executive Order 13514 on Federal Leadership in Environmental, Energy, and Economic Performance in October 2009, setting targets for reducing energy waste and greenhouse gas (GHG) emissions in all Federal operations by 2020. EPA's 2013 Sustainability Plan provides an overview of how EPA is reducing GHG emissions and saving energy.

The 2013 Sustainability Plan will also help guide EPA's actions to meet President Obama's goal for Federal agencies to consume 20 percent of their electricity from renewable sources by 2020. Meeting this renewable energy goal will reduce GHG emissions by the Federal government.

According to the 2013 Plan, since 2009 the EPA has:

- Reduced energy use by almost 8%; allowing EPA to avoid $1.5 million in utility costs annually.

- Used renewable energy and purchased Green Power Renewable Energy Credits equal to 100% of its conventional electricity use.

- Reduced annual water use by more than 25% – that's more than 30 million gallons per year.

The 2013 Sustainability Plan outlines actions planned for the upcoming year to continue progress in meeting the President's goals, including:

- Pursuing reconstruction of key EPA research infrastructure. Projects completed at the Cincinnati, OH, A.W. Breidenbach Environmental Research Center, EPA's second largest research center, have already reduced energy use by more than 30%.
- Consolidating the Research Toxicology Laboratory in Durham, NC into the main laboratory at Research Triangle Park, NC. This project will reduce agency rent costs, cut greenhouse gas emissions, and result in a net reduction in EPA space without impacting research capacity.
- Continuing work on EPA's award winning water conservation program.

More information about the EPA's 2013 Sustainability Plan is available at: http://sustainability.performance.gov

FISCAL IMPACT:
None

ATTACHMENT:
None

REPORT

AGENDA ITEM NO. 9

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Rongsheng Luo, Program Manager, 213-236-1994, luo@scag.ca.gov

SUBJECT: Fuel Economy Trends of New Vehicles Sold in the United States

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Information Only – No Action Required

EXECUTIVE SUMMARY:
On December 12, 2013, U.S. Environmental Protection Agency (EPA) issued its annual report that tracks the average fuel economy of vehicles sold in the United States. The report shows that the average fuel economy achieved record level in model year 2012 vehicles and has increased in seven (7) of the last eight (8) years. The staff report includes a summary of the fuel economy trends and highlights of the annual report.

BACKGROUND:
EPA's annual report Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends is the authoritative reference for carbon dioxide (CO_2) emissions, fuel economy, and powertrain technology trends for new personal vehicles in the United States.

On December 12, 2013, EPA issued the latest annual report *Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends: 1975 – 2013*. The report shows that model year 2012 vehicles achieved an all-time high fuel economy of 23.6 miles per gallon (mpg). This represents a 1.2 mpg increase over the previous year, making it the second largest annual increase in the last 30 years. Fuel economy has now increased in seven (7) of the last eight (8) years.

The following is a summary of the highlights of the report:

- Average vehicle CO_2 emissions rate and fuel economy achieved record levels in model year 2012, and have improved in seven (7) of the last eight (8) years
- Light truck market share decreased in model year 2012, but continues to be variable
- Vehicle weight trend is flat and increasing vehicle power trend is slowing
- Many new technologies are rapidly gaining market share
- Consumers have an increasing number of high fuel economy/low CO_2 vehicle choices
- Nearly every manufacturer increased fuel economy in model year 2012, resulting in lower CO2 emission rates
- Manufacturers are selling many vehicles today that can meet future CO_2 emissions targets

According to EPA, fuel economy will continue to improve under the National Clean Car Program standards. The program doubles fuel economy standards by 2025 and cuts vehicle greenhouse gas emissions by half. The standards will save American families $1.7 trillion dollars in fuel costs, and by 2025 will result in an

average fuel savings of more than $8,000 per vehicle. The program will also save 12 billion barrels of oil, and by 2025 will reduce oil consumption by more than 2 million barrels a day – as much as half of the oil imported from OPEC every day.

The large fuel economy improvement in model year 2012 is consistent with longer-term trends. Fuel economy has increased by 2.6 mpg, or 12 percent, since 2008, and by 4.3 mpg, or 22 percent, since 2004. The average CO_2 emissions of 376 grams per mile in model year 2012 also represented a record low. While EPA does not yet have final data for model year 2013, preliminary projections are that fuel economy will rise by 0.4 mpg, and CO_2 emissions will decrease by six (6) grams per mile in 2013.

The annual report attributes much of the recent improvement to the rapid adoption of more efficient technologies such as gasoline direct injection engines, turbochargers, and advanced transmissions. Additionally, consumers have many more high fuel economy choices due to these and other technologies, such as hybrid, diesel, electric, and plug-in hybrid electric vehicles. Consumers can choose from five times more car models with a combined city/highway fuel economy of 30 mpg or more, and from twice as many SUVs that achieve 25 mpg or more, compared to just five (5) years ago.

The above improving efficiency will have a positive impact to the 2016 RTP/SCS Plan Update. Staff will continue to monitor such information and market penetration in Southern California as forecasts are updated for the Plan Updates.

FISCAL IMPACT:
Work associated with this item is included in the current FY2013/14 Overall Work Program (14-025.SCG0164.01: Air Quality Planning and Conformity).

ATTACHMENT:
Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends: 1975 – 2013 Executive Summary

Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends: 1975 Through 2013

Executive Summary

United States Environmental Protection Agency

EPA-420-S-13-002 December 2013

Executive Summary

Introduction

*This report is the authoritative reference for carbon dioxide (CO_2) emissions, fuel economy, and powertrain technology trends for **new** personal vehicles in the United States. The detailed data supporting this report were obtained by the U.S. Environmental Protection Agency (EPA), directly from automobile manufacturers, to support implementation of EPA's greenhouse gas (GHG) emissions and the U.S. Department of Transportation National Highway Traffic Safety Administration's (NHTSA) Corporate Average Fuel Economy (CAFE) programs. These data have been collected and rigorously maintained by EPA since 1975, and comprise the most comprehensive and authoritative database of its kind.*

Since 1975, this report (often referred to as the "Trends" report) has been published annually and covers new personal vehicles, including all passenger cars, sport utility vehicles, mini-vans, and all but the largest pickup trucks and vans. This report supersedes, and should not be compared to, all previous Trends reports because major methodological changes are propagated backwards through the historical database in order to maintain the integrity of long-term trends.

*All of the tailpipe CO_2 emissions and fuel economy values in this Executive Summary are **adjusted 5-cycle** values which reflect urban commuting, rural highway, high speed/high acceleration, high temperature/air conditioning, and cold temperature operation. These adjusted values are very similar to new car Fuel Economy and Environment Labels and when aggregated on a fleetwide basis, yield EPA's best estimate of nationwide "real world" CO_2 emissions and fuel consumption, but are not comparable to the values submitted by auto-makers for standards compliance. Adjusted CO_2 emissions values are significantly higher than, and adjusted fuel economy values are significantly lower than, the **unadjusted, laboratory 2-cycle** values that form the basis for automaker compliance with EPA CO_2 emissions standards (which began in model year 2012) and NHTSA CAFE standards (which have been in place since model year 1978).*

In early 2014, EPA intends to publish a separate, annual GHG Report at epa.gov/otaq/regs/ld-hwy/greenhouse/ld-ghg.htm that will summarize individual manufacturer performance toward meeting the MY 2012 GHG emissions standards. NHTSA at nhtsa.dot.gov/fuel-economy also publishes a separate document summarizing automaker compliance with fuel economy standards entitled, "Summary of Fuel Economy Performance." NHTSA will prepare an updated report after EPA provides NHTSA with complete and final data through MY 2012. At the time of publication, EPA is in the process of submitting final manufacturer-specific CAFE values to NHTSA and the manufacturers.

The Trends report has been extensively rewritten this year and includes new sections and many new tables and figures. While this summary includes the most important highlights of the report, the reader is encouraged to consult the full report for more depth. The full report, as well as the appendices, is available at epa.gov/otaq/fetrends.htm.

The following Highlights summarize the most important conclusions of this report.

Highlight

Average vehicle CO_2 emissions rate and fuel economy achieved record levels in MY 2012, and have improved in 7 of the last 8 years

The final model year (MY) 2012 adjusted, real world CO_2 emissions rate is 376 g/mi, which is a 22 g/mi decrease relative to MY 2011. MY 2012 adjusted fuel economy is 23.6 mpg, which is 1.2 mpg higher than MY 2011. Both values represent all-time records since the database began in MY 1975, and the authors believe that these represent historical records as well. The 1.2 mpg fuel economy improvement from MY 2011 to MY 2012 is the second largest annual improvement in the last 30 years.

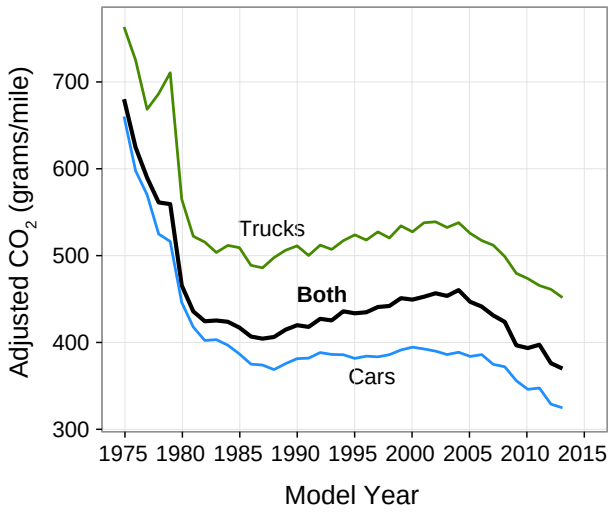
CO_2 emissions and fuel economy have now improved in seven of the last eight years. This recent positive trend reversed the long negative trend from MY 1987 through MY 2004.

Preliminary MY 2013 adjusted values are 370 g/mi CO_2 emissions and 24.0 mpg fuel economy, which, if achieved, will again represent all-time records. Final values for MY 2013 will be published in next year's report.

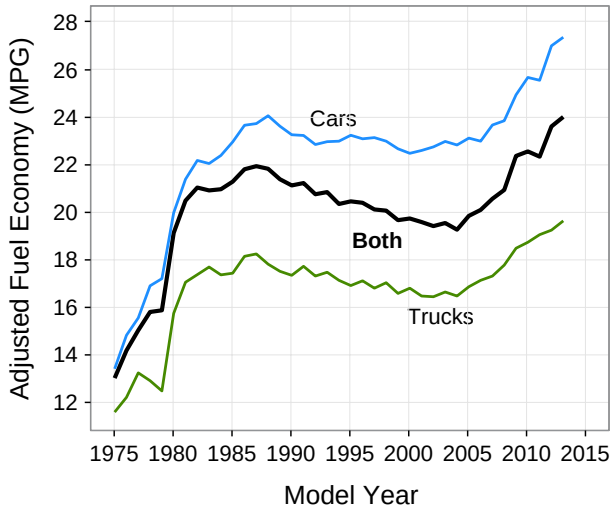
While the direction and magnitude of changes from year-to-year often receive the most public attention, the greatest value of the historical Trends database is the documentation of long-term trends. This is because: 1) year-to-year volatility can reflect short-term trends (e.g., the economic recession and Cash for Clunkers rebates in 2009 and the impact of the tsunami on Japan-based manufacturers in 2011) that may not be meaningful from a long-term perspective, and 2) the magnitude of year-to-year changes in annual CO_2 emissions and fuel economy tend to be small relative to longer, multi-year trends.

Based on the final Trends data through MY 2012, CO_2 emissions have decreased by 85 g/mi, or 18%, since MY 2004, and fuel economy has increased by 4.3 mpg, or 22%.

Adjusted CO_2 Emissions for MY 1975-2013[1]



Adjusted Fuel Economy for MY 1975-2013[1]



[1] *Adjusted CO_2 and fuel economy values reflect real world estimates and are not comparable to automaker standards compliance levels. Adjusted CO_2 values are, on average, about 25% higher than the unadjusted laboratory CO_2 values that form the starting point for GHG standards compliance, and adjusted fuel economy values are about 20% lower, on average, than unadjusted fuel economy values.*

2 Highlight

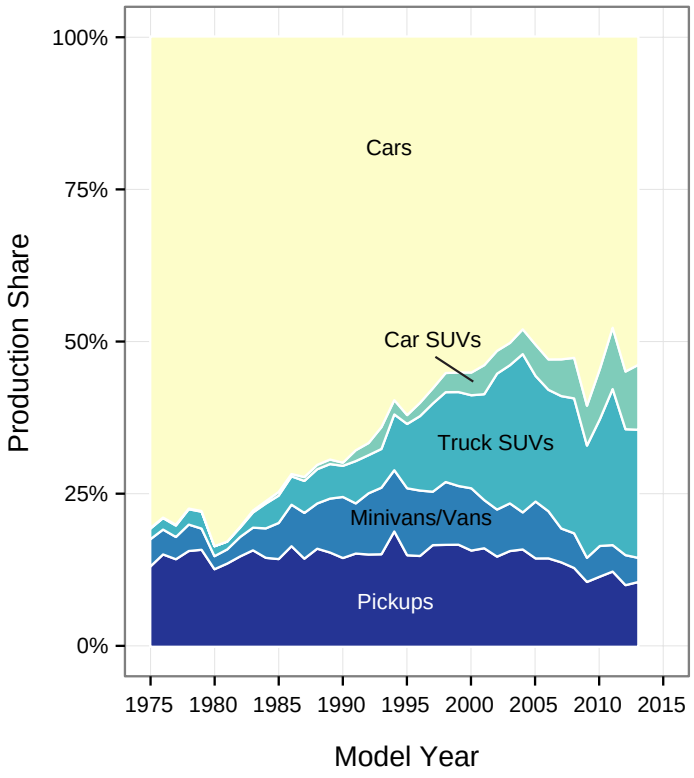
Light truck market share decreased in MY 2012, but continues to be variable

Light trucks, which include pickups, minivans/vans, and truck SUVs (SUVs that must meet light truck GHG emissions and fuel economy standards), accounted for 36% of all light-duty vehicle production in MY 2012, the second lowest level since 1993. This represents a 6% decrease relative to MY 2011, and essentially offsets the 5% increase from MY 2010 to MY 2011. The MY 2013 light truck market share is projected to remain at 36%, based on pre-model year projections by automakers.

Light truck market share has been variable in recent years, e.g., truck share has changed by 4% or more in each year for MY 2009-2012, with two years of increases and two years of decreases. Three factors that have likely contributed to the volatility in truck share include: 1) MY 2009 was a particularly unusual year due to the serious economic recession that led to much turmoil in the automotive market and almost certainly led to an artificially low truck production share in that year; 2) the Car Allowance Rebate System (CARS), commonly referred to as Cash for Clunkers, managed by NHTSA, which provided incentives of up to $4500 for the trade-in of a vehicle with lower fuel economy and purchase of a new vehicle with higher fuel economy, resulted in 677,081 new vehicle purchases in 2009, and 3) the earthquake, tsunami, and nuclear tragedies in Japan in March 2011, which decreased the supply of cars from Japan, and likely contributed to the truck share increase in MY 2011 (as well as to the projected truck share decrease in MY 2012).

Cars include conventional cars and car SUVs (SUVs that must meet car GHG emissions and fuel economy standards).

Production Share by Vehicle Type for MY 1975-2013



3 Highlight

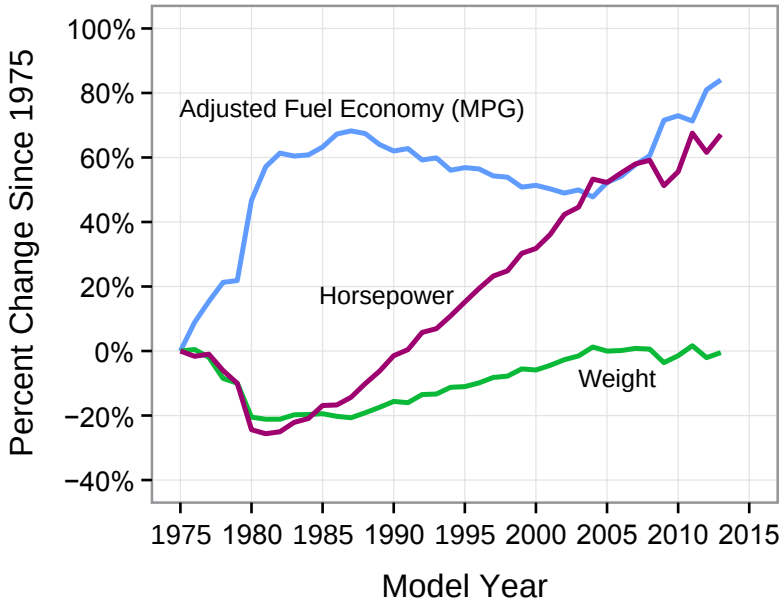
Vehicle weight trend is flat and increasing vehicle power trend is slowing

Vehicle weight and performance are two of the most important design parameters that help determine a vehicle's CO_2 emissions and fuel economy. In general, all other factors being equal, higher vehicle weight and faster acceleration performance (e.g., lower 0-to-60 miles-per-hour acceleration time), both increase a vehicle's CO_2 emissions and decrease fuel economy.

MY 2012 vehicle weight averaged 3,977 pounds, a decrease of 150 pounds compared to MY 2011. Average MY 2012 vehicle power was 222 horsepower, a decrease of 8 horsepower from MY 2011. Estimated 0-to-60 acceleration time in MY 2012 was unchanged at 9.4 seconds. Average vehicle footprint declined by 0.7 square feet in MY 2012. The decrease in light truck market share was a major factor in the lower weight, horsepower, and footprint.

Preliminary MY 2013 values suggest that average vehicle weight and power will both increase, though these projections are uncertain, and EPA will not have final data until next year's report. The preliminary MY 2013 average weight is relatively unchanged over the last decade. The preliminary MY 2013 horsepower value would tie the record first set in MY 2011.

Change in Adjusted Fuel Economy, Weight, and Horsepower for MY 1975-2013



From MY 1987 through MY 2004, on a fleetwide basis, automotive technology innovation was generally utilized to support vehicle attributes other than CO_2 emissions and fuel economy, such as weight, performance, and utility. Beginning in MY 2005, technology has been used to increase both fuel economy (which has reduced CO_2 emissions) and power, while keeping vehicle weight relatively constant.

Tables 2.1 (cars plus light trucks), 3.3.1 (cars), and 3.3.2 (light trucks) provide data on key vehicle attributes.

4 Highlight

Many new technologies are rapidly gaining market share

New technologies are continually being introduced into the marketplace, replacing older and less effective technologies. Technological innovation is a major driving force behind the recent improvements in CO_2 emissions and fuel economy, and the majority of the carbon and oil savings from current vehicles is due to new gasoline vehicle technologies. The figure below shows changes in market share over the five-year period from MY 2008 through MY 2013 for several key engine and transmission technologies for which Trends gathers data.

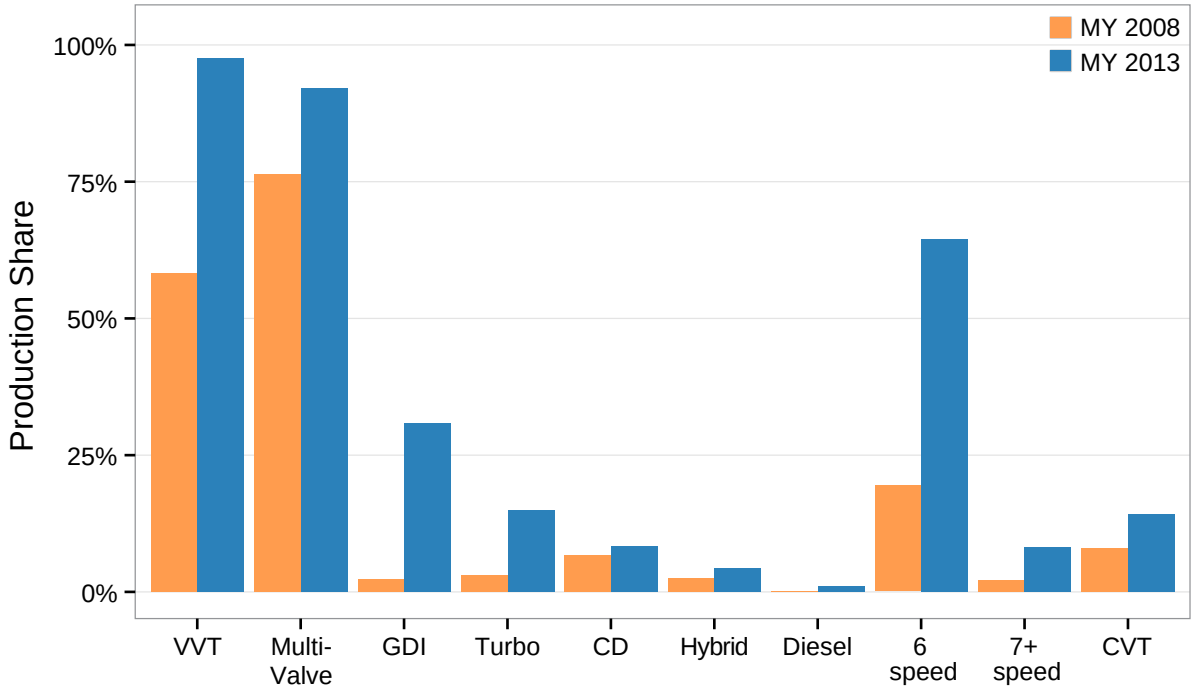
Two engine technologies first introduced over 20 years ago—variable valve timing (VVT) and multi-valve engines—are both projected to be used on over 90% of MY 2013 vehicles.

Gasoline direct injection (GDI) engines have increased market share ten-fold from less than 3% in MY 2008 to over 30% in MY 2013. Turbochargers, which are often used in conjunction with GDI, have increased market share by a factor of five since MY 2008.

Transmissions with 6 or more speeds and continuously variable transmissions (CVTs) cumulatively accounted for about 30% of vehicle production in MY 2008, but are projected to exceed 80% market share in MY 2013.

Compared to the engine and transmission technologies discussed above, there has been far less growth in the production shares of hybrid and diesel powertrains (see Highlight 5 for the increase in the number of hybrid and diesel models), and cylinder deactivation (CD).

Technology Production Share for MY 2008 and MY 2013



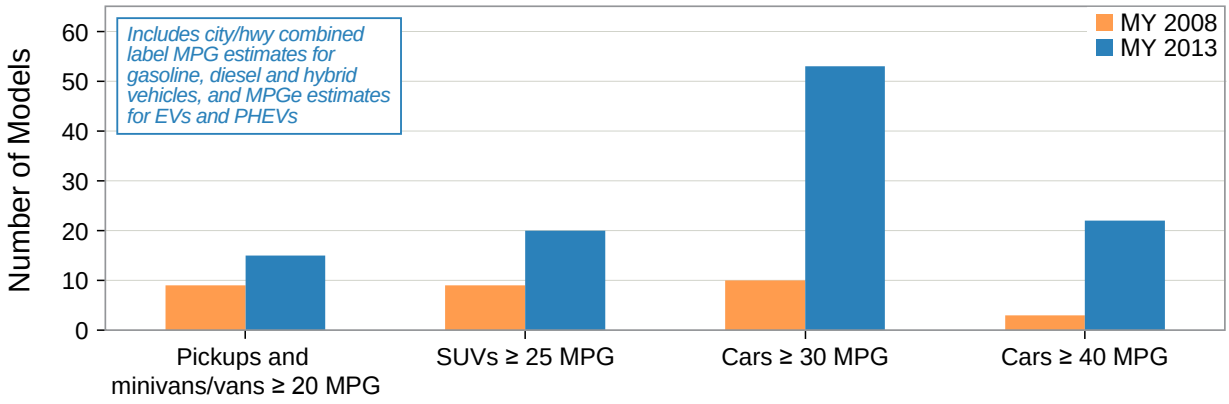
Highlight

Consumers have an increasing number of high fuel economy/low CO_2 vehicle choices

Consumers have more choices than ever when shopping for vehicles with higher fuel economy and lower tailpipe CO_2 emissions. These choices reflect both a more diverse range of technology packages on conventional gasoline vehicles as well as more advanced technology and alternative fueled vehicles.

There are 15 MY 2013 pickup and minivan/van models for which at least one variant of the model has a combined city/highway label fuel economy rating of 20 mpg or more, compared with nine models five years ago. There are over twice as many SUV models that achieve 25 mpg or more in MY 2013 than in MY 2008. The number of non-hybrid SUVs that achieved 25 mpg increased from four in MY 2008 to 17 in MY 2013, more than a four-fold increase. The number of car models where at least one variant has a combined city/highway label fuel economy of 30 mpg or more increased by five-fold, and the number of car models at 40 mpg or more have increased from three to over 20 (all hybrid, electric and plug-in hybrid electric vehicles).

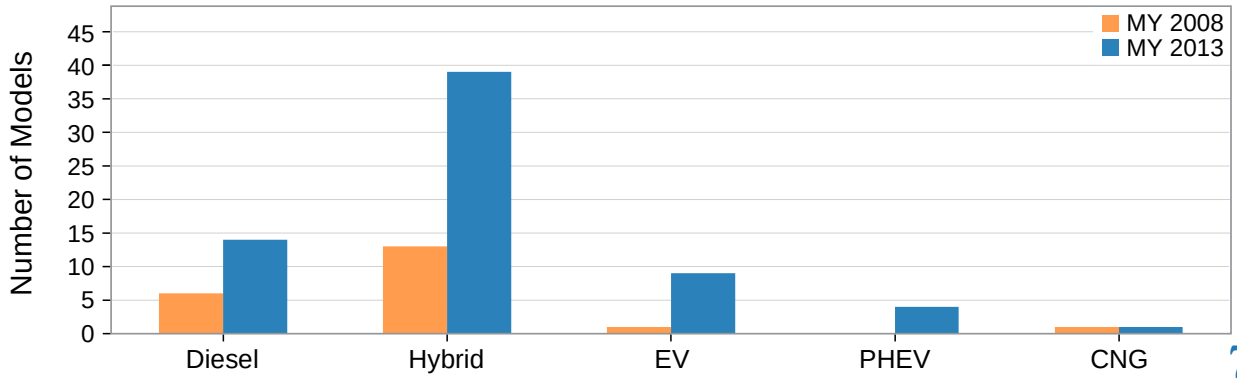
Vehicle Models Meeting Fuel Economy Thresholds in MY 2008 and MY 2013



There are also many more advanced technology vehicle choices. In MY 2013, there are three times as many hybrid offerings as there were in MY 2008. In addition, the number of diesel offerings has doubled, and there are growing numbers of electric vehicles and plug-in hybrid electric vehicles as well.

Section 8 provides more detail about the methodology for this "model count" analysis, and also shows that, within individual models, consumers have a wider range of high fuel economy performance from which to choose.

Advanced Technology and Alternative Fuel Vehicle Models in MY 2008 and MY 2013



7

Highlight

Nearly every manufacturer increased fuel economy in MY 2012, resulting in lower CO_2 emission rates

Ten of the eleven manufacturers shown below increased fuel economy from MY 2011 to MY 2012, the last two years for which we have definitive data. Preliminary MY 2013 values suggest that most manufacturers will improve in MY 2013 as well, though these projections are uncertain, and EPA will not have final data until next year's report.

In MY 2012, for the 11 manufacturers shown, Mazda had the lowest fleetwide adjusted composite CO_2 emissions and highest adjusted fuel economy performance, followed by Honda. Chrysler-Fiat had the highest CO_2 emissions and lowest fuel economy, followed by Daimler. Daimler had the biggest improvement in adjusted CO_2 emissions performance from MY 2011 to MY 2012, with a 43 g/mi reduction, followed by Honda with a 35 g/mi reduction. Honda had the biggest fuel economy improvement from MY 2011 to MY 2012, of 2.5 mpg, while Mazda had the second largest increase of 2.1 mpg.

Section 4 has greater detail on the fuel economy and CO_2 emissions for these manufacturers (e.g., for individual manufacturer car and light truck fleets), as well as for individual makes (i.e., brands).

MY 2011–2013 Manufacturer Adjusted Fuel Economy and Adjusted CO_2 Emissions[1]

	MY 2011 Final		MY 2012 Final				MY 2013 Preliminary	
Manufacturer[2]	Fuel Economy (MPG)	CO_2 Emissions (g/mi)	Fuel Economy (MPG)	Change from MY 2011 (MPG)	CO_2 Emissions (g/mi)	Change from MY 2011 (g/mi)	Fuel Economy (MPG)	CO_2 Emissions (g/mi)
Mazda	25.0	356	27.1	+2.1	328	-28	27.5	324
Honda	24.1	369	26.6	+2.5	334	-35	27.0	329
Toyota	24.1	369	25.6	+1.5	347	-22	25.2	352
VW	26.0	349	25.8	-0.2	351	+2	26.2	346
Subaru	23.9	372	25.2	+1.3	352	-20	26.2	339
Nissan	23.3	381	24.1	+0.8	369	-12	25.3	351
BMW	22.7	393	23.7	+1.0	377	-16	24.4	364
Ford	21.1	422	22.8	+1.7	390	-32	22.6	394
GM	20.7	429	21.7	+1.0	410	-19	22.0	404
Daimler	19.1	469	21.1	+2.0	426	-43	22.2	402
Chrysler-Fiat	19.4	458	20.1	+0.7	442	-16	21.6	411
All	**22.4**	**398**	**23.6**	**+1.2**	**376**	**-22**	**24.0**	**370**

[1] *Adjusted CO_2 and fuel economy values reflect real world estimates and are not comparable to automaker standards compliance levels. Adjusted CO_2 values are, on average, about 25% higher than the unadjusted laboratory CO_2 values that form the starting point for GHG standards compliance, and adjusted fuel economy values are about 20% lower, on average, than unadjusted fuel economy values.*

[2] *Two manufacturers, Hyundai and Kia, are not included in rows in the table above due to a continuing investigation. On November 2, 2012, EPA announced that Hyundai and Kia would lower their fuel economy estimates for many vehicle models as the result of an EPA investigation of test data. Based on these corrected data, Hyundai's values are 27.2 mpg and 327 g/mi CO_2 for MY 2011, 28.3 mpg and 314 g/mi CO_2 for MY 2012, and 28.3 mpg and 315 g/mi CO_2 for MY 2013 (preliminary). Kia's values are 25.8 mpg and 345 g/mi CO_2 for MY 2011, 26.5 mpg and 336 g/mi CO_2 for MY 2012, and 27.3 mpg and 326 g/mi CO_2 for MY 2013 (preliminary). These corrected data for Hyundai and Kia are included in industry-wide or "All," values.*

7 Highlight

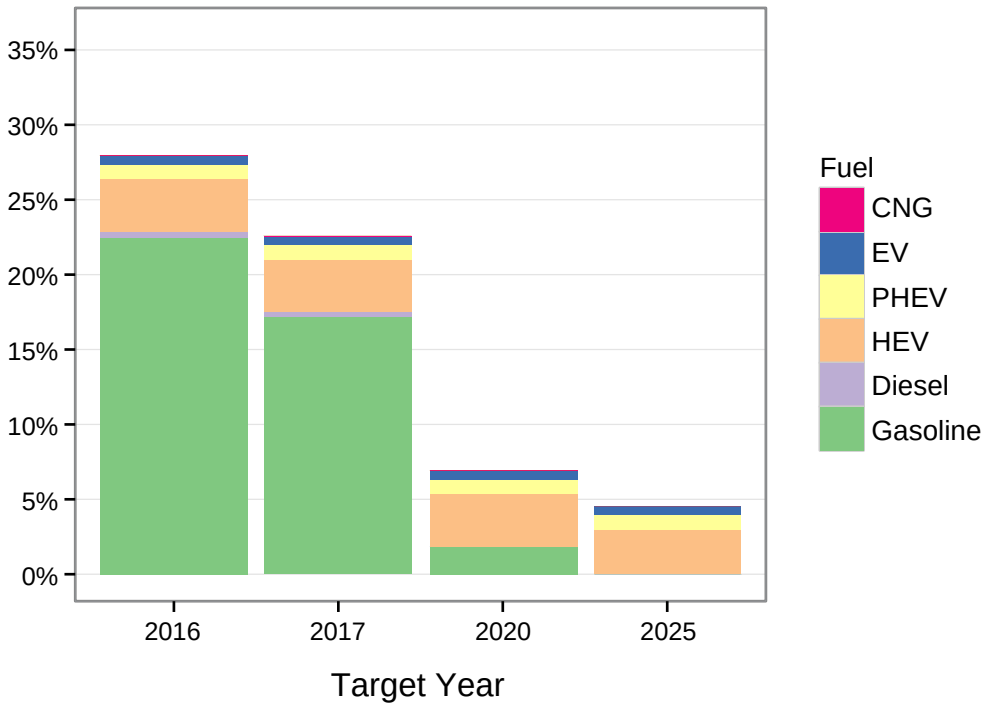
Manufacturers are selling many vehicles today that can meet future CO_2 emissions targets

EPA evaluated MY 2013 vehicles against future footprint-based CO_2 emissions regulatory targets to determine which vehicles could meet or exceed their future targets in MY 2016-2025. These comparisons were based on current powertrain designs, assuming improvements only in air conditioner refrigerants and efficiency. EPA assumed air conditioning improvements since these are considered to be among the most straightforward and least expensive technologies available to reduce CO_2 and other greenhouse gas emissions. It is important to note there are no CO_2 emissions standards for individual vehicles. Rather, there are manufacturer-specific compliance levels for both passenger car and light truck fleets. The compliance levels for each manufacturer are derived from the footprint-based CO_2 emissions target curves, and the production volume-weighted distribution of vehicles produced for sale in the U.S. by each manufacturer.

The figure below shows that 28% of projected MY 2013 vehicle production already meets the MY 2016 CO_2 emissions targets, or can meet these targets with the addition of expected air conditioning improvements. The bulk of this production share is accounted for by non-hybrid gasoline vehicles, although other technologies, including diesels, hybrids, plug-in electric hybrids, electric vehicles, and compressed natural gas vehicles, are also represented.

Looking ahead, about 5% of projected MY 2013 production could meet the MY 2025 CO_2 emissions targets. Vehicles meeting the MY 2025 CO_2 targets are comprised solely of hybrids, plug-in hybrids, and electric vehicles. Since the MY 2025 standards are over a decade away, there's considerable time for continued improvements in gasoline vehicle technology.

MY 2013 Vehicle Production Share That Meets Future CO_2 Emissions Targets



NOTICE:

This technical report does not necessarily represent final EPA decisions or positions. It is intended to present technical analysis of issues using data that are currently available. The purpose in the release of such reports is to facilitate the exchange of technical information and to inform the public of technical developments.

REPORT

AGENDA ITEM NO. 10

DATE: January 2, 2014

TO: Energy and Environment Committee (EEC)

FROM: Rongsheng Luo, Rongsheng Luo, Program Manager, 213-236-1994, luo@scag.ca.gov

SUBJECT: U.S. Environmental Protection Agency (EPA) Public Listening Sessions on Reducing Carbon Pollution from Existing Power Plants

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED EEC ACTION:
Receive and File Only – No Action Required.

EXECUTIVE SUMMARY:
As part of President Obama's Climate Action Plan, U.S. Environmental Protection Agency (EPA) has held eleven public listening sessions throughout the country to solicit ideas and input from the public and stakeholders for developing Clean Air Act (CAA) guidelines to reduce carbon pollution for existing power plants. The staff report includes highlights of the Public Listening Session held in San Francisco on November 5, 2013 which SCAG staff monitored via webcast.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a) Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:
On June 25, 2013, President Obama announced the President's Climate Action Plan with measures to address climate change that sets goals and timetables for a series of executive actions. These executive actions seek to reduce greenhouse gas pollution in America; prepare the United States for the impacts of climate change; and lead international efforts to address global climate change.

As part of the Climate Action Plan, the U.S. EPA is directed to work closely with states, industry and other stakeholders to establish carbon pollution standards for both new and existing power plants. Power plants are the nation's largest stationary source of carbon pollution, responsible for about one third of all greenhouse gases in the United States.

In response to the President's Climate Action Plan, EPA has held eleven (11) public listening sessions throughout the country to solicit ideas and input from the public and stakeholders as EPA develops Clean Air Act (CAA) guidelines to reduce carbon pollution for existing power plants.

Staff monitored via webcast the EPA's Listening Session held in San Francisco on November 5, 2013. The following are some highlights of the Listening Session:

- CAA gives both EPA and states a role in reducing air pollution from power plants that are already in operation. The law directs EPA to establish guidelines, which states use to design their own programs to reduce emissions. Before proposing guidelines, EPA must consider how power plants

with a variety of configurations would be able to reduce carbon pollution in cost-effective ways.

- Over 130 speakers offered a wide variety of comments and ideas typical of such EPA rule-making process during the San Francisco Listening Session.
- The feedback from all the 11 public listening sessions, as well as written input received by email, will play an important role in helping EPA develop guidelines that reflect the latest and best information available.
- EPA will seek additional public input during the notice and comment period once it issues a proposal by June 1, 2014. The proposed Guidelines will be finalized by June 1, 2015.
- States are required to develop CAA Section 111(d) plans following the EPA Guidelines and submit to EPA by June 30, 2016.

There are power plants currently in operations in the SCAG region and these existing power plants will be subject to the Final EPA Guidelines. Staff will keep track of the EPA's rule development process and will report back to EEC as appropriate.

FISCAL IMPACT:
Work associated with this item is included in the current FY2013-14 Overall Work Program (14-025.SCG0164.01: Air Quality Planning and Conformity).

ATTACHMENT:
None

REPORT

AGENDA ITEM NO. 11

DATE: January 2, 2014

TO: Transportation Committee (TC)
Energy & Environment Committee (EEC)

FROM: John Asuncion, Senior Regional Planner (213) 236-1936, asuncion@scag.ca.gov, and

SUBJECT: Comments on FHWA's Interim Guidance on the Congestion Mitigation and Air Quality Improvement Program

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only - No Action Required.

EXECUTIVE SUMMARY:
On November 12, 2013, the Federal Highway Administration (FHWA) issued the Interim Guidance on the Congestion and Air Quality Improvement (CMAQ) Program (hereinafter referred to as the "Interim Guidance"). The Interim Guidance retains the majority of the CMAQ guidance language from October 2008 but also makes revisions as a result of the enactment of the Moving Ahead for Progress in the 21st Century Act (MAP-21). The staff report summarizes the main changes to the CMAQ Program as a result of MAP-21 and described in the Interim Guidance. SCAG staff will submit comments to FHWA regarding the changes to the CMAQ Program Guidance by January 13, 2014.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:
The Interim Guidance for the CMAQ Program has been prepared by the Air Quality and Transportation Conformity Team in FHWA's Office of Natural Environment, in cooperation with the Federal Transit Administration's (FTA's) Office of Planning and Environment. Since the Interim Guidance contains information needed for grantees to plan CMAQ funded projects and use CMAQ funds during FY 2013, the Interim Guidance is effective on the date of the publication in the Federal Register (November 12, 2013).

The following bullets outline the key provisions under the CMAQ Interim Guidance as it relates to project eligibility; geographic area eligibility; flexibility and transferability provisions available to States; requirements for annual reporting of CMAQ program obligations; and a discussion of the pertinent program administrative responsibilities of Federal, State, and Metropolitan Planning Organizations (MPOs), transit agencies and private sector sponsors.

- MAP-21 does not contain a specific statutory distribution formula for CMAQ apportionments. Instead, CMAQ apportionments are determined using a ratio of the State's FY 2009 CMAQ funding relative to the State's total apportioned Federal-aid for that year. The resulting ratio applies to both FY 2013 and FY 2014 CMAQ apportionments.

- However, MAP-21 has established a priority for PM2.5 (particulate matter less than 2.5 micrometers in diameter) emissions reductions with respect to CMAQ obligations. MAP-21 requires that any State with a PM2.5 nonattainment or maintenance area must invest a portion of its CMAQ funding towards projects that reduce PM2.5 directly or its precursors. An amount equal to 25 percent of CMAQ funds "attributable to PM2.5 nonattainment" must be set-aside for these PM2.5 priority projects. FHWA is proposing a PM2.5 weighting factor and after a rulemaking and public comment period, may issue a final rule used for set-aside determinations.

- Under Program Administration, there is a new provision that the required Annual Reports "should" provide a quantitative assessment of project-level emission benefits and cost-effectiveness "whenever possible."

- MAP-21 also established a new requirement for a CMAQ performance plan by MPOs serving a population of one million or more and representing a non-attainment or maintenance area including SCAG. The CMAQ performance plan will be completed and updated biennially and will include:

  - ✓ Baseline levels for traffic congestion and on-road mobile source emissions for non-attainment or maintenance;
  - ✓ A progress report on achievements in reaching performance targets;
  - ✓ A description of the projects identified for CMAQ funding and a projection of how these projects will contribute to achieving the emission and traffic congestion reduction targets; and
  - ✓ A separate report assessing the progress of the project in achieving the air quality and congestion targets of the previous plan.

  Several of the provisions will be the subject of rulemaking, and CMAQ Program guidance will be updated as needed following the conclusion of the rulemaking.

- The Interim Guidance provides clarification on the transfer provisions for CMAQ and states that 50 percent of CMAQ funds are transferrable to other Federal-Aid programs. However, 25 percent of CMAQ funds that are set-aside for PM2.5 priority project are protected and cannot be transferred to other programs. FHWA's Chief Financial Officer will issue a detailed memorandum covering the transfer provisions encompassing the full Federal-aid highway program.

- MAP-21 expanded a provision that allows CMAQ funds to finance new transit operating assistance for an additional 2 years bringing operating assistance up to 5 years for CMAQ funds.

- MAP-21 provisions on flexible funding and the PM2.5 set-aside created a need for revised financial management system which adds a description in the Fiscal Management Information System coding used to track mandatory and flexible CMAQ spending, including the new PM2.5 set-aside.

- The change in CMAQ revenues from the MAP-21 enactment has resulted in a minor change of CMAQ apportionments for all counties in the SCAG region. Attachment 2 displays the CMAQ apportionments from October 2011 and November 2013. The percentage statewide share of CMAQ apportionments has resulted in a change of less than half of one percent for all counties in the SCAG region.

Comments related to the Interim Guidance are due to FHWA by January 13, 2014. The FHWA will consider comments in developing final guidance for the CMAQ Program. SCAG staff consulted with the county transportation commissions and AQMD in the development of the attached letter. In addition to submitting comments directly to the FHWA, SCAG staff e-mailed a copy of the same comments to Muhaned Aljabiry (Muhaned.aljabiry@dot.ca.gov) at the State Department of Transportation (Caltrans) for inclusion in the statewide response to the CMAQ Interim Guidance due to the state on December 18, 2013 (Attachment 1).

FISCAL IMPACT:
Work associated with this item is included in the current FY2013-14 Overall Work Program 14-030.SCG00146.02 Federal Transportation Improvement Program; 14-025.SCG0164.01: Air Quality Planning and Conformity).

ATTACHMENTS:
1. SCAG Comment Letter to FHWA
2. CMAQ Revenues Table

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January 12, 2014

Dockets Management Facility
U.S. Department of Transportation
Room W-12-140
1200 New Jersey Avenue SE
Washington, DC 20590

RE: Federal Highway Administration [FHWA Docket No. FHWA-2013-0023] Congestion Mitigation and Air Quality Improvement Program Interim Guidance

Dear Sir or Madam:

The Southern California Association of Governments (SCAG) appreciates the opportunity to comment on the above referenced CMAQ Interim Guidance ("Interim Guidance" herein) issued by the Federal Highway Administration (FHWA) on November 12, 2013. SCAG supports the flexibility offered in the Interim Guidance and offers the following comments to the sections listed below:

Section V (C) Priority Set-aside or PM2.5 Areas

The Interim Guidance states that "an amount equal to 25 percent of the funds attributable to PM2.5 nonattainment in each of the affected States must be used for projects targeting PM2.5 reductions in those nonattainment and maintenance areas." It is not clear what "attributable to" means. The Final Guidance should provide clarification as to the meaning of "attributable" with respect to this section.

The Interim Guidance states that "If this process leads to a final rule, FHWA plans on using the PM2.5 weighting factor developed during that rulemaking for set-aside determinations made after the effective date of the final rule." The reference to the proposed PM2.5 weighting factor is unclear, and therefore, we request that the use of the PM2.5 weighting factor be explained in more detail in the Final Guidance. In addition, the Final Guidance should address how the set-aside determinations will be made if the rulemaking process would not result in a final rule.

Section V (D) State flexibility: Mandatory – Flexible CMAQ Funding

SCAG supports the transferability of CMAQ funds to other Federal-aid programs so long as the reduction in CMAQ funding does not impede a region's ability to achieve its air quality goals. While MAP-21 provides flexibility within the federal-aid programs, we feel that it could potentially affect the overall funding levels for CMAQ and hinder the region's ability to reach its air quality targets. A State can decide to transfer up to 50 percent of its CMAQ apportionment to another federal-aid program thereby reducing its CMAQ apportionment. It is imperative that federal, state, and local agencies work together to find a balance between transportation and environmental priorities. A provision should be included that allows agencies to work together and establish such priorities before funds are transferred between programs. This can ensure that agencies come to a consensus on its priorities and that CMAQ funded projects are implemented and continue to improve air quality.

***Section* VII (A) Item #2 Operating Assistance (e)**

SCAG recognizes the importance of flexibility in the timing of financial assistance and supports the increase in operating assistance for start-up projects increasing for up to five (5) years sequential years of support, especially since transportation funding and resources are limited particularly for transit.

Section IX (B) Item 3 – Tracking Mandatory/Flexible and PM2.5 Set-aside Funds

With regard to provisions on the PM 2.5 set aside and the need for a revised financial management system which adds a description to the Federal Management Information System (FMIS) coding to track CMAQ spending, the State should be responsible for this MAP-21 provision. Since the State collects this data and the State also operates the FMIS database, it would be most efficient if the State were to take the sole responsibility for this provision. Having other agencies such as other MPOs or County Transportation Commissions participate, in whole or in part, with this responsibility would result in an inefficient and possible duplicative use of resources and take much longer than if the State were to assume full responsibility of this provision to track CMAQ spending in regards to the PM 2.5 set aside. We request that this be addressed in the Final Guidance.

In conclusion, we thank FHWA for the opportunity to comment on the Interim Guidance. Should you have any questions regarding this letter, please contact Maria I. Lopez, Manager of Federal Transportation Improvement Program, at (213) 236-1806 or at lopez@scag.ca.gov.

Sincerely,

Hasan Ikhrata
Executive Director

HI:ml

CMAQ Estimated Apportionments - October 2011

CMAQ	IMP	LA	ORA	RIV	SBD	VEN	SCAG TOTALS	Statewide Totals
12/13	1,825,241	155,685,985	47,528,965	33,159,530	31,815,146	9,687,247	279,702,114	491,824,858
13/14	1,825,241	155,685,985	47,528,965	33,159,530	31,815,146	9,687,247	279,702,114	491,824,858
14/15	1,825,241	155,685,985	47,528,965	33,159,530	31,815,146	9,687,247	279,702,114	491,824,858
15/16	1,825,241	155,685,985	47,528,965	33,159,530	31,815,146	9,687,247	279,702,114	491,824,858

Percent of Statewide Total	0.371%	31.655%	9.664%	6.742%	6.469%	1.970%	56.870%

CMAQ Estimated Apportionments - November 2013

CMAQ	IMP	LA	ORA	RIV	SBD	VEN	SCAG TOTALS	Statewide Totals
13/14	1,470,068	138,531,424	42,597,238	30,529,285	28,285,971	8,321,872	249,735,858	437,076,772
14/15	1,470,068	138,531,424	42,597,238	30,529,285	28,285,971	8,321,872	249,735,858	437,076,772
15/16	1,470,068	138,531,424	42,597,238	30,529,285	28,285,971	8,321,872	249,735,858	437,076,772
16/17	1,470,068	138,531,424	42,597,238	30,529,285	28,285,971	8,321,872	249,735,858	437,076,772
17/18	1,470,068	138,531,424	42,597,238	30,529,285	28,285,971	8,321,872	249,735,858	437,076,772

Percent of Statewide Total	0.336%	31.695%	9.746%	6.985%	6.472%	1.904%	57.138%